

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

DATA ENHANCEMENTS AND  
REPORTING REQUIREMENTS FOR FLATS

Docket No. RM2018-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO COMMISSION INFORMATION REQUEST NO. 2**  
(May 29, 2018)

With the exception of General Question 6 (for which a response is still under preparation), the Postal Service hereby files its response to CIR No. 2, issued March 28, 2018. The questions were presented in categories for Pinch Point 1 (Bundle Processing), Pinch Point 2 (Low Productivity on Automated Equipment), Pinch Point 3 (Manual Sorting), Pinch Point 4 (Productivity and Service Issues in Allied Operations), Pinch Point 5 (Increased Transportation Time/Cost), and General Questions.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno  
Chief Counsel, Global Business & Service  
Development

Nabeel R. Cheema  
Chief Counsel, Pricing & Product Support

Eric P. Koetting  
Kara C. Marcello  
B.J. Meadows III

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1137  
(202) 277-6333  
May 29, 2018

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP1-1: Bundle Breakage Visibility Reports**

1. Please refer to Responses of the United States Postal Service to Commission Information Request No. 1, December 4, 2017 (Response to CIR No. 1) and Response to CIR No. 1, Excel file "PP1-1\_Bundle Breakage.Rev.2.13.18.xlsx."
  - a. Please expand the data filed to include facility level data. In addition, please provide an explanation of the following types of facilities:
    - i. STC Facility;
    - ii. FS Facility; and
    - iii. Breakage Facility.
  - b. Please confirm that "APPS" refers to the Automated Parcel and Package Service. If not confirmed, please provide the full name of the machine.
  - c. Please confirm that the Small Parcel and Bundle Sorter Tracking System (SPBSTS or APBS) and "APPS" are the only machines where bundle breakage occurs. If not confirmed, please list any additional machines where bundle breakage occurs and why the Bundle Breakage Visibility Reports do not provide data about bundle breakage on those machines.
  - d. Please provide the source of the data from the column "Bundles Processed."
  - e. Please provide the formula used to calculate the data in column "% of Total Bundles." If the data used to calculate the data in the column are not included in Excel file "PP1-1\_Bundle Breakage.xlsx," please provide the additional data necessary to calculate the data in the column.
  - f. Please provide the source of the data from the column "Broken Bundles."
  - g. Please provide the formula used to calculate the data in column "% Contribution of Total Broken Bundles." If the data used to calculate the data in the column are not included in Excel file "PP1-1\_Bundle Breakage.xlsx," please provide the additional data necessary to calculate the data in the column.
  - h. Please revise Excel file "PP1-1\_Bundle Breakage Rev.2.13.18.xlsx" to include:
    - i. Broken Bundles (2 SCAN LOGIC);
    - ii. Broken Bundles Performance (2 SCAN LOGIC);
    - iii. Broken Bundles (3 SCAN LOGIC); and
    - iv. Broken Bundles Performance (3 SCAN LOGIC).
  - i. Please provide a narrative that explains the following terms: "2 SCAN LOGIC" and "3 SCAN LOGIC."

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**RESPONSE:**

- a. Facility level data are provided under seal in USPS-RM2018-1/NP2.
  - i. STC Facility refers to the Start-the-Clock facility and is the acceptance facility where the mail is entered
  - ii. FS Facility refers to the First Scan facility and is the facility where the first scan is observed
  - iii. Breakage Facility is the facility where the bundle breakage occurred
- b. Not confirmed. APPS refers to the Automated Package Processing System.
- c. Not confirmed. The APBS/SPBSTS (Automated Parcel and Bundle Sorter/Small Parcel and Bundle Sorter Tracking System) and APPS (Automated Package Processing System) are machines where the majority of bundle breakage is identified; these machines have been included since the inception of the Bundle Breakage reports. Bundle Breakage can also occur on the High Throughput Package Sorter (HTPS) and Small Package Sorting System (SPSS) machines; the Postal Service began including data from these machines in the Bundle Breakage reports in November 2017, and is currently in the process of integrating these data in the Bundle Breakage Visualization. To clarify, bundle breakage can occur throughout the process as mail moves through the network, such as during transportation and handling. The Postal Service is able to identify that bundle breakage has occurred when the bundles are

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

processed on the machines; the breakage itself is not necessarily caused by, and does not necessarily occur on, the machines.

- d. The source of the “Bundles Processed” data are processing scans made on the processing equipment and sent to the Informed Visibility (IV) database.
- e. The formula used to calculate “% of Total Bundles” is “Broken Bundles” divided by “Bundles Processed.”
- f. The source of the “Broken Bundles” data are processing scans made on the processing equipment and sent to the IV database where business rules are applied to identify broken bundles.
- g. The formula used to calculate “% Contribution of Total Broken Bundles” is “Broken Bundles” divided by the sum of all Broken Bundles for the entire date range.
- h. A revised file is provided in USPS-RM2018-1/2. Note, the Postal Service ceased using the 2-scan logic data at the end of FY18 Q1.
- i. A bundle is considered broken when multiple pieces nested in a bundle are scanned on bundle sortation equipment. The 2-scan logic considers a bundle as broken when 2 or more pieces are scanned, and the 3-scan logic considers a bundle as broken when 3 or more pieces are scanned on bundle sorting equipment (i.e. APBS, APPS, SPSS, and HTPS).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

2. Please explain if there have been any studies on the time associated with handling broken bundles. If so, please provide the results of those studies. If not, please explain if any studies are planned.

**RESPONSE:**

No, the Postal Service has not conducted any studies on the time associated with handling broken bundles, and no such studies are planned at this time.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

3. Please refer to Response to CIR No. 1, Excel file "PP1-1\_Bundle Breakage Rev.2.13.18.xlsx." Please confirm that the percent of broken bundles increased from 2.6 percent in FY 2016 to 2.8 percent in FY 2017. If not confirmed, please provide the percent of bundles broken in FY 2016 and FY 2017. In addition, please explain any known causes of this increase in broken bundles.

**RESPONSE:**

Confirmed; the percent of broken bundles increased from 2.6 percent in FY 2016 to 2.8 percent in FY 2017. There has not been any anomaly identified as a cause for the increase in percent of broken bundles. Perhaps when viewed in the context of the converse ratio (97.4 percent unbroken one year and 97.2 percent unbroken the next), it is less clear that the difference between the two years is necessarily material, as opposed to simply random.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

4. Please refer to Response to CIR No. 1, question PP1-1(b). Please explain if Bundle Breakage Visibility reports are contained within Informed Visibility. If not confirmed, please explain how Informed Visibility and Bundle Breakage Visibility Reports are related.

**RESPONSE:**

Confirmed; Bundle Breakage Visibility reports are contained within Informed Visibility.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

5. Please refer to Response to CIR No. 1, question PP1-1(c). Please provide a copy of the “[t]rends and findings” related to bundle breakage that “are shared with industry and internal stakeholders for continuous improvements.”

**RESPONSE:**

A sample of the national bundle breakage trends is provided in USPS-RM2018-1/1.

Findings from evaluating bundle breakage reports provide the Postal Service and mailing industry with the related processing locations, job IDs, and/or mail owners associated with the reported bundle breakage for potential improvement.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

6. Please refer to Response to CIR No. 1, questions PP1-1(a) and PP1-1(e). Please explain how eMIR improvements will impact Bundle Breakage Visibility Reports if eMIR is not an input to Bundle Breakage Visibility Reports. In addition, please explain if there are plans to integrate eMIR and the Bundle Breakage Visibility Reports to address at-risk mail.

**RESPONSE:**

Although eMIR is not an input to the Bundle Breakage Visibility Reports, improvements to eMIR have the potential to improve the frequency and quality of reported irregularities, including broken bundles. The Postal Service is considering the potential of incorporating the enhanced SV capabilities into the Bundle Breakage reports.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

7. Please refer to Response to CIR No. 1, question PP1-1(c). Please provide the percentage of a mailing that must be broken for a mailer or mail preparer to be notified.

**RESPONSE:**

The Postal Service does not share Bundle Breakage reports based on breakage percentage. Mail Service Providers (MSPs) receive reports based upon the greatest volume contribution of bundles broken to overall total of broken bundles in Postal operations, derived within current visibility constraints for a given month.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP1-1: Bundle Breakage Visibility Reports**

8. Please refer to Response to CIR No. 1, question PP1-1(f). Please list all inputs and outputs to the “Bundle Breakage Dashboard.” In addition, please explain how mailers and the Postal Service use the “Bundle Breakage Dashboard” to reduce bundle breakage and any estimates of reduced bundle breakage as a result of the dashboard.

### **RESPONSE:**

The inputs to the Bundle Breakage Dashboard are PostalOne!, Surface Visibility (SV), and Informed Visibility (IV). The output data are:

- Mailing Date
- Mail Preparer CRID
- Mail Preparer MID
- Mail Preparer
- Mail Owner CRID
- Mail Owner MID
- Mail Owner
- STC Facility
- FS Facility
- FS Device
- Job ID
- Total Bundles
- Broken Bundles (3 SCAN LOGIC)
- Broken Bundles Performance (3 SCAN LOGIC)
- Breakage Facility

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

- Breakage Machine

The Bundle Breakage Dashboard is an internal postal tool used to identify the facilities impacted by broken bundles. This allows the processing facilities to monitor particular bundle mailings and verify operational processes. At this time, there are no estimates of reduced bundle breakage as a result of the dashboard.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

9. Please refer to Response to CIR No. 1, question PP1-1(j). Please explain if it is possible to merge Bundle Breakage Visibility reports with work hour data to estimate the cost impact of bundle breakage. If it is possible, please provide the barriers to merging the data. If it is not possible, please explain.

**RESPONSE:**

The Postal Service does not have work hour data specific to bundle breakage or for handling of broken bundles or the time taken to repair suspect bundles. Current data systems combine work hour data for all activities in the operation in which bundle breakage occurs. In bundle distribution operations such as the APPS operation, the workhours for activities of handling broken bundles are subsumed along with workhours for all other activities of processing mail in that operation. In piece distribution operations, no distinction is made for workhours associated with distribution of pieces from broken bundles.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-1: Bundle Breakage Visibility Reports**

10. In Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 14, February 12, 2018, question 4, the Postal Service stated that there was "an increase in bundle breakage performance of 8.2 percent from FY 2016 to FY 2017." The data show that while the total number of bundles decreased, the total number of broken bundles increased and the percentage of broken bundles increased from FY 2016 to FY 2017. Please provide a narrative that explains the rationale that increasing bundle breakage is an indicator that bundle breakage performance is increasing.

**RESPONSE:**

The cited response was merely intended to indicate that the percentage of broken bundles had increased. As suggested by the current question, including the reference to "performance" in the response was potentially confusing. More logically, an increase in broken bundles might be viewed as a potential deterioration in "performance."

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-2: Service Performance Diagnostic (SPD) Reports**

1. Please refer to Response to CIR No. 1, Excel file "PP1-2\_WIP Cycle Time.xlsx."  
Please confirm that the time is expressed in minutes. If not confirmed, please provide the relevant unit.

**RESPONSE:**

Not confirmed; the cycle times are expressed in hours.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-2: Service Performance Diagnostic (SPD) Reports**

2. Please refer to Response to CIR No. 1, question PP1-2(d)(iv). Please explain the potential reasons for the “# of Pallets Unloaded” only representing 83.99 percent of “# of eDoc Pallets.”

**RESPONSE:**

Some of the potential reasons why the “# of Pallets Unloaded” could differ from the “# of eDoc Pallets” include:

- Mailer prints pallet placards (99M) in advance of mail preparation and includes them in the eDoc creation, but not all containers are physically prepared, and the mailer fails to remove the excess containers prior to eDoc submission; this typically occurs in a logical mailing environment.
- Mailer creates many low volume pallets and then consolidates the trays onto a single pallet. The original 99M barcodes are included in eDoc, but are not used when the mail is dispatched.
- Mailer, using external co-palletization, includes 99M barcodes in the eDoc submission of the original file paying postage for the pieces, but then the mailer sends the trays to a third party consolidator that creates copal pallets and an Origin Container Information (OCI) file to provide the new 99M barcodes in the eDoc. The original 99M barcodes are not seen by the Postal Service at induction.
- Mailer's eDoc does not match the Intelligent Mail container barcode (IMcb) printed on the pallet placard. Although the Postal Service scans printed barcodes, the eDoc barcode will be reported as not scanned.



## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP1-2: Service Performance Diagnostic (SPD) Reports**

3. In describing the enhancements to the software supporting the SV mobile scanning device, the Postal Service previously stated:

The enhancements also include software improvements to the SV system that enable the consolidation of existing raw data into more user-friendly reporting via SPD, thus allowing the Postal Service to make better use of the data it already has. Such reporting could provide Postal Service management with ready access to metrics such as average time between scheduled and actual arrival to the yard; average time between arrival to the yard or dock and the initiation of the unload process; and average duration of the unload process. This information could be filtered by postal administrative Area, facility, and shipper, and could be used to identify the day of the week with the highest cycle times. The Postal Service could use this information to monitor the relative performance of its facilities, for example, by identifying the highest and lowest performing facilities in terms of processing times.<sup>1</sup>

However, in Response to CIR No. 1, question PP1-2(e), the Postal Service states that the improvements mentioned in the Docket No. ACR2015, 120-Day Response “will not impact SPD reports” and that the Postal Service “has not identified any potential improvements to the SPD reports.” Please reconcile these statements. In addition, please explain how the improvements mentioned in the Docket No. ACR2015, 120-Day Response, if implemented, would no longer “enable the consolidation of existing raw data into more user-friendly reporting via SPD.” See Docket No. ACR2015, 120-Day Response at 25.

### **RESPONSE:**

The software enhancements currently do not affect SPD reports. SV released a Drop Shipment dashboard in May 2018 that has average cycle times for mailers, which will not require any changes to SPD reports because it is a separate system. The SVWeb Drop Shipment Dashboard allows for key analysis on drop shipment appointment on-

---

<sup>1</sup> See Docket No. ACR2015, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, July 26, 2016, at 25 (Docket No. ACR2015, 120-Day Response).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

time arrival performances and cycle times by site and by mailer to help identify which mailers have the longest wait before being inducted and where processing cycle times can be reduced.

# **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

## **PP1-3: Bundle Visibility Reports**

1. Please provide quarterly Bundle Visibility Reports from FY 2013 to present.

### **RESPONSE:**

Due to data retention policies, these data are only available back to FY 17 Q1.

### **Plant Metrics:**

Quarter	FS Bundles Processed	FS Bundles Nested	FS Bundles Nested on AFSM/FSS	% FS Bundles Nested	Total Nested 99P Containers	Total Nested 99H Containers	99P Loaded	% 99P Loaded
FY17 Q1	93,440,696	81,627,058	6,102,659	86.45	2,049,766	42,859	1,367,160	66.70
FY17 Q2	79,143,349	70,484,461	5,766,346	88.20	1,878,817	46,284	1,248,272	66.44
FY17 Q3	75,718,254	69,487,454	5,914,943	91.07	1,899,259	56,306	1,420,005	74.77
FY17 Q4	74,763,620	68,868,849	5,815,382	91.45	1,929,372	78,712	1,463,668	75.86
FY18 Q1	90,915,931	82,966,885	6,496,478	90.58	2,133,310	92,319	1,606,832	75.32
FY18 Q2	72,584,465	67,799,247	5,385,102	92.88	1,923,925	96,696	1,537,511	79.92

**Note:** % FS Bundles Nested is calculated as (FS Bundles Nested - FS Bundles Nested on AFSM/FSS) divided by (FS Bundles Processed - FS Bundles Nested on AFSM/FSS)

### **Delivery Unit Metrics:**

Quarter	% Delivery Unit (DU) Bundles Visibility Scores	% Distributed Scan Compliance	Out For Delivery (OFD) Bundles	% Inventory Complete Scan Compliance	Number of curtailed bundles
FY17 Q1	77.48	86.10	33,552,944	80.99	104,172
FY17 Q2	77.85	84.79	45,918,590	85.03	142,561
FY17 Q3	80.60	86.53	48,470,595	87.49	117,297
FY17 Q4	78.98	84.32	45,971,559	88.51	93,339
FY18 Q1	80.09	85.07	56,935,621	89.39	172,293
FY18 Q2	84.60	88.71	50,235,927	90.87	109,798

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP1-3: Bundle Visibility Reports**

2. The Postal Service previously stated that, although data from Bundle Visibility has been focused on scanning compliance, it “has been able to use Bundle Visibility information to track where carrier route bundles are actually located in the process, from acceptance to final processing at delivery units.”<sup>2</sup> However, the Postal Service states “[t]he Bundle Visibility reports show scanning compliance but cannot track bundles as they move through the postal network.” Response to CIR No. 1, question PP1-3(c). Please reconcile these statements and explain if the Bundle Visibility reports will have this capability in the future. Please confirm whether there exists a current capability through any system to measure cycle time.

### **RESPONSE:**

Bundle visibility scanning data are used in other diagnostic tools to look at scan history for pieces that failed service. For clarification, bundle visibility information is scanning data gathered through the bundle visibility scanning process. The Bundle Visibility reports show scanning compliance but currently cannot track bundles as they move through the postal network. The core functionality of Bundle Visibility reports as designed is limited to monitoring scan compliance at this time.

---

<sup>2</sup> Docket No. ACR2015, Response of the United States Postal Service to Commission Information Request No. 1, November 28, 2016, at 27 (Docket No. ACR2015, November 2016 Response).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP1-3: Bundle Visibility Reports**

3. The Postal Service stated that “[t]hese data and systems will provide the Postal Service with actionable data to address root cause issues with respect to cycle time between mail induction (acceptance) and the first sortation on bundle processing equipment.” Docket No. ACR2015, November 2016 Response at 27. However, the Postal Service states that “[t]here is no cycle time measurement in Bundle Visibility reports available at this time.” Response to CIR No. 1, question PP1-3(d). Please explain whether the Bundle Visibility Report will have this capability in the future. Please confirm whether there exists a current capability through any system to measure cycle time.

**RESPONSE:**

The capability to measure cycle times already exists in another report in SPD (i.e. MP-WIP). For clarification, bundle visibility information is scanning data gathered through the bundle visibility scanning process. The Bundle Visibility reports show scanning compliance, but currently cannot measure cycle times as bundles move through the postal network. The core functionality of Bundle Visibility reports as designed is limited to monitoring scan compliance at this time.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP1-3: Bundle Visibility Reports**

**4.** The Postal Service previously stated:

Ultimately, while the Postal Service may be able to use the above information to determine where in the process a delay occurred, or to attribute a given delay to the arrival of an unexpectedly high volume of mail, there are various reasons why delay may occur that are not made visible by these data alone. For example, induction delays could be caused by a communication failure during a shift change; or the placard that postal personnel apply to containers staged for the next operation (once unloaded from the truck) may reflect the incorrect time and date of receipt or target day for clearing the mail from operations (or the placard may be missing altogether).

Docket No. ACR2015, 120-Day Response at 24.

However, in Response to CIR No. 1, question PP1-3(d)(ii), the Postal Service states that Bundle Visibility Reports do not currently provide induction delay information. Please reconcile these statements. In addition, please explain which data and systems currently or in the past have provided the information requested in question PP1-3(d)(ii). Please provide the examples as requested in PP1-3(d)(ii) using the relevant data and systems.

### **RESPONSE:**

The Postal Service's statement in Docket No. ACR2015 was intended to convey that the Postal Service might be able to use the information to determine or infer where the delay occurred, but Bundle Visibility reports do not currently provide specific induction delay data or sufficient intelligence to reach a definitive determination. As explained in response to PP1-3, Question 3, the core functionality of Bundle Visibility reports as designed is presently limited to monitoring scan compliance.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-1: Mail Processing Variance Reports**

1. Please expand Excel file "PP2-1\_MPV.xlsx" from national level data to facility level data. In addition, please include:
  - a. "CDV" Percent Achieved;
  - b. Dollar Cost data;
  - c. "CSV" Percent Achieved; and
  - d. Dollar Cost.

**RESPONSE:**

The facility level data are provided under seal in USPS-RM2018-1/NP2. Because the data represent Mail Processing Variance (MPV), CDV and CSV data are not applicable. CDV is a city delivery model that focuses on the city delivery process and delivery units, while CSV is a customer service model that focuses on the customer service process and retail units; therefore, neither CDV nor CSV is applicable at the mail processing facility level. Additionally, Variance Programs does not provide dollar costs data at the facility level.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP2-1: Mail Processing Variance Reports**

2. Please explain what “CDV” Percent Achieved measures. Please provide all supporting data to calculate the percentage.

#### **RESPONSE:**

Within Operational Variance Programs, City Delivery Variance (CDV) is a city delivery model that focuses on the city delivery process and delivery units (Function 2B operations). CDV calculates actual versus earned workhour performance against standardized target productivity expectations, and compares trends in performance from national results to the unit level. CDV utilizes integrated data from Delivery Operations Information System (DOIS), eFlash, and WebCOINS.

- **% *Achieved*:** Variance performance achieved in percentage format and calculated as Earned Hours divided by Actual Hours
  - ***Earned Hours*:** earned hours calculated based on workload and targets
  - ***Actual Hours*:** actual workhours by LDC reported in eFlash



## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP2-1: Mail Processing Variance Reports**

3. Please explain what “CSV” Percent Achieved measures. Please provide all supporting data to calculate the percentage.

#### **RESPONSE:**

Within Operational Variance Programs, Customer Service Variance (CSV) is a customer service model that focuses on the customer service process and retail units (Function 4 operations) for Cost Ascertainment Grouping (CAG) A-G offices. CSV calculates actual versus earned workhour performance against standardized target productivity expectations, and compares trends in performance from national results to the unit level. CSV utilizes integrated data from eFlash, WebCOINS, Retail Datamart (RDM), Address Management System (AMS), End of Run (EOR), Time and Attendance Collection System (TACS), and Facilities Database (FDB).

- **% Achieved:** Variance performance achieved in percentage format and calculated as Earned Hours divided by Actual Hours
  - **Earned Hours:** earned hours calculated based on workload and targets
  - **Actual Hours:** actual workhours by LDC reported in eFlash

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-1: Mail Processing Variance Reports**

4. Please explain how the target productivities in the MPV Reports are developed. Please include all supporting data and background information.

**RESPONSE:**

Target productivities are currently developed by using one of three methods with approval by USPS Headquarters Processing Operations:

1. Decision Analysis Report (DAR) productivity factor for new mail processing equipment
  - a. Operating expense investments must be supported by a DAR prepared by the sponsoring organization to justify the expenditure. The DAR explains the background and purpose of the program and fully documents costs and benefits estimates including productivities if applicable. Costs must be supported with documentation showing the calculations and the basis for all assumptions.
2. Time study
  - a. A time study is completed if there is a new process in mail processing without a DAR or any historical data. The time it takes to efficiently and safely execute the process from start to finish is measured and the data are used in accordance with the volume processed to establish a new productivity target.
3. Upper quartile performance
  - a. Use 52 weeks of data
  - b. Rank each MPV category's productivity by site from high to low

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

- c. Exclude top and bottom 10 percent of sites
- d. Calculate demonstrated performance by taking the average of the top 25 percent of remaining sites
- e. Compare the Top Quartile results against existing MPV target
- f. Share results with Postal Service Headquarters

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP2-1: Mail Processing Variance Reports**

5. Please confirm that the target productivities have not changed since FY 2013. If not confirmed, please provide all instances of target productivity changes. In addition, please explain the process used to change target productivities.

### **RESPONSE:**

The table below displays the changes to target productivities since FY 2013 related to mail processing flats performance.

FY	AFSM	AFSM	AFSM	AFSM	FSM	UFSM	FSS	FPARS	MANUAL
2013	2335	3682	2647	7054	744	2365	2711	N/A	701
2014	2335	3682	2647	7054	1082	2365	2711	N/A	701
2015	2335	3682	2647	7054	1082	2365	2711	N/A	998
2016	2335	3682	2647	7054	1082	2365	2711	N/A	998
2017	2335	3682	2647	7054	1082	2365	2711	1975	998
2018	2335	3682	2647	7054	1082	2365	2711	1975	998

MPV CATEGORY	EQUIPMENT TYPE
AFSM 100	Automated Flat Sorting Machine 100
AFSM AI	Automated Flat Sorting Machine - Automatic Induct
AFSM ATHS	Automated Flat Sorting Machine - Automated Tray Handling System
AFSM AI ATHS	Automated Flat Sorting Machine-Automated Induct/Automated Tray Handling System
FSM 1000	Flat Sorting Machine 1000
FSS	Flats Sequencing System
UFSM	Upgraded Flat Sorting Machine
FPARS	Flat Postal Automation Redirection System
MANUAL FLATS	Flats that are distributed manually into a Flat Distribution Case

For the changes indicated above, the “Upper quartile performance” approach described in response to Pinch Point 2-1, Question 4 above was used to calculate target productivities when a change was needed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-1: Mail Processing Variance Reports**

6. In Excel file "PP2-1\_MPV.xlsx," please provide the source for the manual flats volume data. If the volume data is derived from a formula, please provide the formula.

**RESPONSE:**

WebMODS uses WebEOR FHP Flow percentages to apply volume to manual distribution operations. The percentage is derived from the FHP Surveys and is site specific. There are sites that enter Manual Flat Volume manually into WebMODS because they do not have AFSM 100s.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-1: Mail Processing Variance Reports**

7. Please refer to Response to CIR No. 1, question PP2-1(g), where the Postal Service explains that MPV provides a dollar cost based on actual performance. Please provide examples of how the dollar cost figure is used by Postal Service management.

**RESPONSE:**

Mail Processing Variance (MPV) Programs provide a dollar cost based on actual performance via an Executive Summary, but dollar cost data are not provided at the unit level. The dollar cost figure is available for reference, but is not widely used by Postal Service management since more robust and actionable data are available in other systems.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-1: Mail Processing Variance Reports**

8. Please refer to Response to CIR No. 1, question PP2-1(g), where the Postal Service explains that MPV provides a dollar cost based on actual performance. Please confirm that MPV also provides the dollar cost at the target performance. If confirmed, please provide a dollar cost at target performance. Please also confirm that the Postal Service subtracts the difference between the dollar cost at actual performance and at target performance in order to identify areas for cost savings. If not confirmed, please explain whether the Postal Service is capable of identifying areas for cost savings using this method.

**RESPONSE:**

Not confirmed; MPV does not provide the dollar cost at target performance.

Confirmed; areas for cost savings are identified by subtracting the difference between the dollar cost at actual performance and at target performance.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-2: Machine Chart Run vs. Plan Reports**

1. Please provide Machine Run vs. Plan reports for each machine at one facility over a one week period.

**RESPONSE:**

Machine Run vs. Plan reports from the Los Angeles P&DC for each machine over a one week period (9/23/17-9/29/17) are provided under seal in USPS-RM2018-1/NP2.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-3: Mail History Tracking System (MHTS)**

1. Please provide examples of abilities of MHTS to track operational compliance and mailflow issues that affect service performance.

**RESPONSE:**

MHTS has the capability of identifying detailed mailpiece history and potential service impacts: missent and missorted mail prior to its delivery; mail that is being worked incorrectly on a destination sort plan; mail that is being worked at the wrong facility; cycle times of mail within a facility; cycle times of mail between facilities; and unassigned mail.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-3: Mail History Tracking System (MHTS)**

2. Please explain if the Postal Service retains any aggregated MHTS data to determine ways to identify consistently inefficient mail flows.

**RESPONSE:**

MHTS is a diagnostic system designed to identify recent problems, as data are only retained for three weeks. Due to this limited data retention capability, MHTS data are not well-suited for identifying consistent mail flow issues, so efforts are underway to move MHTS functionality into Informed Visibility where the data retention is anticipated to be longer.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-4: Single-Piece First-Class Mail Root Cause Reports**

1. For each “root cause type,” please provide the criteria for mail to be classified as the “root cause type.” See Response to CIR No. 1, question PP2-4(b).

**RESPONSE:**

The criteria used to classify a failed mailpiece as a specific root cause type are provided in the table below. A root cause failure indicator type is assigned to a mailpiece when a processing issue is encountered, and is reset if a processing cycle time checkpoint is met, either at that time or after the issue occurred. A processing cycle time checkpoint is the cut-off time by which certain processing operations should occur relative to the expected delivery date of a mailpiece based on its service standard. The cut-off times for specific processing operations are defined as part of the Postal Service’s 24-hour operating clock. Because a mailpiece may encounter multiple issues, the root cause failure indicator assignment process is conducted iteratively until a failure type is assigned and no subsequent cycle time checkpoint is met. The hierarchy with which the root cause failure types are assessed and assigned is indicated by the “Rank” column in the table.

<b>Failure Indicator</b>	<b>Origin / Destination Failure</b>	<b>Rank</b>	<b>Description</b>
Collection Delay (Zero Bundle)	Origin	1	A mail piece that belongs to an EXFC zero bundle. Zero bundles indicate that there was a delay in retrieving mail from a collection box or in the handoff to the plant. A Collection Delay failure indicator supersedes all other failure indicators if no subsequent cycle time checkpoints are met.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

Missent (Origin)	Origin	2	A mail piece that is processed in an outgoing processing operation at an unexpected origin plant and not miscoded. Includes mail pieces processed at consolidation plants. A Missent failure indicator supersedes all other failure indicators unless it is a Collection Delay or Last Mile Failure.
Missent (AADC)	Destination	3	A mail piece that is processed in a managed mail processing operation at an unexpected AADC plant and not miscoded. Includes mail pieces processed at consolidation plants. A Missent failure indicator supersedes all other failure indicators unless it is a Collection Delay or Last Mile Failure.
Missent (Destination)	Destination	4	A mail piece that is processed in an incoming processing operation at an unexpected destination plant and not miscoded. Includes mail pieces processed at consolidation plants. A Missent failure indicator supersedes all other failure indicators unless it is a Collection Delay or Last Mile Failure.
Non-Standard Mail Flow	Origin	5	A letter mail piece that is processed as a flat. All scans received by the mail piece are 14X, 33X, 40X, 44X, 46X, 530/538 and/or 81X*. A Non-Standard Mail Flow failure indicator supersedes all other failure indicators except for Collection Delay, Last Mile Failure, and Origin Missent.
Miscode/Misread (Origin)	Origin	6	<p>A piece where an IMb read observed in an outgoing primary or outgoing secondary processing operation does not match the reporter ZIP Code in the eleven digits for letters and nine digits for flats. A miscode failure indicator supersedes all other failure indicators unless one of the following occurs:</p> <ul style="list-style-type: none"> <li>• The piece is categorized as a Collection Delay and no subsequent cycle time checkpoints are met;</li> <li>• The piece is missent and the last read before processing occurs in an unexpected plant is correct;</li> <li>• The miscode occurs during origin processing but is corrected thereafter and the piece reaches downstream cycle time checkpoints on time;</li> <li>• The miscode occurs in processing prior to DPS but DPS processing occurs on time at the expected plant with all reads correct.</li> </ul>

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

Miscode/Misread (Destination)	Destination	7	<p>A piece where an IMb read observed in any managed mail or incoming processing operation does not match the reporter ZIP Code in the eleven digits for letters and nine digits for flats. A miscode failure indicator supersedes all other failure indicators unless one of the following occurs:</p> <ul style="list-style-type: none"> <li>• The piece is categorized as a Collection Delay and no subsequent cycle time checkpoints are met;</li> <li>• The piece is mis-sent and the last read before processing occurs in an unexpected plant is correct;</li> <li>• The miscode occurs during origin processing but is corrected thereafter and the piece reaches downstream cycle time checkpoints on time;</li> <li>• The miscode occurs in processing prior to DPS but DPS processing occurs on time at the expected plant with all reads correct.</li> </ul>
No Read at Origin	Origin	8	A mail piece that receives no reads and no ID Tag is applied at the expected origin plant.
Non-Standard Origin Processing	Origin	9	A mail piece that receives 3 or more outgoing primary sorts (Two-Day mail only), receives 3 or more outgoing secondary sorts (Two/Three-To-Five-Day mail), or receives a first scan which is not outgoing primary. Any mail piece that does not receive any origin processing is also included. AFCS processing does not count as a read.
Origin Processing Delay	Origin	10	A mail piece that receives an outgoing secondary scan after midnight on the day of induction or a late outgoing primary scan after 23:00 on the day of induction if no secondary scan exists.
AADC/ADC Processing Delay	Destination	11	A letter or card that receives a scan at the expected AADC plant after 12:00 on the day before expected day of delivery. For flats, a piece that receives a scan at the expected ADC plant after 12:00 on the day before expected day of delivery.
Non-Standard Incoming Processing	Destination	12	A mail piece with any scan of XX1 or XX2 on any operation at the AADC and/or final destination plant, or 3 or more XX3, XX4, or XX5 scans at the AADC and/or final destination plant.
No Read at Destination	Destination	13	A mail piece that receives no reads at the expected destination plant. AADC scans are not included.
Received First DPS Pass / Not Second	Destination	14	A letter/card that receives a first DPS pass only. Miscode/Misread at destination should preclude the assignment of this failure indicator.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

Plant Looping	Destination	15	A mail piece that experiences plant looping (receiving a 1st DPS pass operation after a 2nd DPS pass operation, more than 24 hours between any DPS processing, more than 12 hours between two 1st pass operations, seen in carrier route operation 12hr after DPS operation or is seen in incoming primary after 2nd pass). Miscode/Misread at destination should preclude the assignment of this failure indicator.
Delivery Looping	Destination	16	A mail piece that experiences delivery looping (receiving a 1st pass, 2nd pass, or Carrier Route operation) and then is seen in outgoing primary. Miscode/Misread at destination should preclude the assignment of this failure indicator.
Non-Standard Depth of Sort	Destination	17	A mail piece that does not have the appropriate depth of sort given its destination. Miscode/Misread at destination should preclude the assignment of this failure indicator.
Late Incoming Secondary Processing	Destination	18	A letter/card that receives the correct, final scan at the destination plant after 08:00 on the expected day of delivery or a flat whose final scan at the destination plant occurs after 08:00 on the expected day of delivery. Can only be evaluated if last scan is a destination scan.
Last Mile Failure	Destination	19	A failed letter/card that receives the correct, final scan at the destination plant before 08:00 on the expected day of delivery, does not receive a first DPS pass only, does not experience DPS looping, and has the appropriate depth of sort given its destination, or a failed flat whose final scan at the destination plant occurs before 08:00 on the expected day of delivery. Miscode/Misread at destination should preclude the assignment of a Last Mile Failure.
No Scan	N/A	20	A mail piece that receives no reads and no ID Tag. A No Scan failure indicator supersedes all other failure indicators except for Collection Delay.

\* The use of "X" within a three-digit processing operation number indicates that the notation represents all processing operations with the same prefix if the final digit is "X", or all operations with the same suffix if the initial digits are "X".

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-4: Single-Piece First-Class Mail Root Cause Reports**

2. Please provide the “most prevalent root causes of failures” from FY 2013 to present. See *id.*, question PP2-4(c).

**RESPONSE:**

Please see the file provided in USPS-RM2018-1/2 for the top five most prevalent root causes of failures from FY 2013 to present. Data have been provided for each postal quarter by service standard and mail shape (letters and flats). For purposes of this response, “most prevalent” has been interpreted as those root causes with the greatest point impact on service performance, meaning the amount by which on-time performance decreased due to each specific root cause of failure.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-4: Single-Piece First-Class Mail Root Cause Reports**

3. Please provide instances of when Single-Piece First-Class Mail Root Cause Reports were used to “prioritize performance improvement efforts.” See *id.*

**RESPONSE:**

The Single-Piece First-Class Mail Root Cause Reports are available and can be used to prioritize performance improvement efforts. Currently, however, Informed Visibility (IV) is more readily used to identify indicators contributing to negative performance because it provides more robust, near real time data that are available to all users within the organization.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-5: Lean Six Sigma and Kaizen studies related to low productivity**

1. For each of the Lean Six Sigma and Kaizen studies provided in Excel file "PP2-5\_LSS Studies.xlsx," please indicate whether the results of the studies have led to improvements at other facilities and, if so, the service and cost impacts of the improvements.

**RESPONSE:**

Please see USPS-RM2018-1/2. None of the Lean Six Sigma and Kaizen studies provided have been implemented nationally, and the Postal Service does not manage or track improvements that have been locally replicated or used by other facilities. The Project Knowledge System is a database of projects that any facility can access to determine if the project is locally applicable or has replication potential.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-5: Lean Six Sigma and Kaizen studies related to low productivity**

2. Please provide analyses for each Lean Six Sigma and Kaizen study that demonstrates “cause and effect relationship using regression analysis and hypothesis testing” of the Lean Six Sigma and Kaizen Studies. See Response to CIR No. 1, question PP2-5(g).

**RESPONSE:**

Please see USPS-RM2018-1/2. Not all projects are required to use regression and/or hypothesis testing. Of those projects that are listed in the Project Knowledge System that are related to flats processing, individual documents have to be reviewed in order to determine if any regression or hypothesis testing was used. Also, the use of regression and/or hypothesis testing does not guarantee a cause and effect relationship, as correlation with selected variables does not necessarily equate to causation.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP2-5: Lean Six Sigma and Kaizen studies related to low productivity**

3. Please provide analyses from Lean Six Sigma and Kaizen studies that “enable[] teams to determine if there is a correlation between equipment productivity and service performance; to document the strength of that correlation and to verify the impact of subsequent productivity improvements on the flats service score.”  
*See id.*

**RESPONSE:**

Please see USPS-RM2018-1/2. Of the projects listed in the Project Knowledge System that are related to flats processing, individual documents have to be reviewed in order to determine if analysis was done to determine if a correlation exists between equipment productivity and service performance. A correlation analysis using a Pearson correlation r-value is not a required analysis for all projects; therefore, not all projects will have a correlation analysis completed. In the event a correlation analysis was completed, there is no guarantee that there is a causal relationship, as correlation does not necessarily equate to causation.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP3-1: WebEOR and WebMODS**

1. Please refer to Response to CIR No. 1, question PP3-1(f). The Postal Service states that “given variations of pay rates that are not currently available in WebMODs nor WebEOR, actual costs cannot be discerned.” Response to CIR No. 1, question PP3-1(f). Please explain whether the Postal Service can combine WebEOR and WebMODS with national wage rates from Library Reference USPS-FY17-7 to estimate the impact of manual processing on flats costs. If WebEOR and WebMODS cannot be combined with wage rates to provide an estimate, please explain what additional data would be necessary to do so.

### **RESPONSE:**

The national wage rates from USPS-FY17-7 would provide a basis for estimating costs (e.g., cost per piece handling) based on productivity data (providing piece handlings per workhour). Insofar as the USPS-FY17-7 mail processing wage rate is a composite figure for all mail processing activities, any such estimates may differ somewhat from actual costs to the extent the wage rate for a given activity—such as manual distribution—differs from the overall average wage. Note also that since the wage is not operation-specific, the relative magnitude of the measured labor cost difference between any two activities would be the same as the relative productivity difference. Thus, this approach would more reliably indicate the cost impacts of large productivity differences, as variations in wage rates across operations would be less likely to substantially offset (or reinforce) the productivity differences.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

1. In Excel file "PP3-2\_eFlash.xlsx," Manual Flats volume is provided. Please provide Manual Letters volume and total (Letters and Flats) Manual Volume.

**RESPONSE:**

Please see USPS-RM2018-1/2. The data provided contain manual distribution letter and flat volumes for CAG A-G offices. The data for CAG H-L offices are available, but the distribution workhours are not separated in CAG H-L offices.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

2. Please refer to Response to CIR No. 1, question PP3-2(i). Please provide workhours data for manual distribution letters and flats as an aggregated number.

**RESPONSE:**

Please see USPS-RM2018-1/2. The workhour data provided are reported as an aggregated number and are also broken down into the hours reported in eFlash for the time spent (LDC 43) handling only letters and flats.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

3. Please refer to Response to CIR No. 1, question PP3-2(j). Please provide cost analysis of manual distribution letters and flats as an aggregated number.

**RESPONSE:**

Please see USPS-RM2018-1/2. The included cost data are provided as an aggregated figure, and also as a defined number for letters and flats independently.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

4. Please provide the time it takes to handle a manual letter.

**RESPONSE:**

Please see USPS-RM2018-1/2. This response was determined by dividing the Letter Distribution Hours (eFlash Line Code L43L) by the Unit Distribution Letter Volume (eFlash Line Code UDLT) converted to seconds.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

5. Please provide the time it takes to handle a manual flat.

**RESPONSE:**

Please see USPS-RM2018-1/2. This response was determined by dividing the Flat Distribution Hours (eFlash Line Code L43F) by the Unit Distribution Flat Volume (eFlash Line Code UDFT) converted to seconds.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

6. Please provide the “costs analysis based on manual distribution for letters and flats” from FY 2013 to present. See Response to CIR No. 1, question PP3-2(j).

**RESPONSE:**

Please see USPS-RM2018-1/2.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP3-2: eFlash**

7. In explaining that eFlash provides estimates of manual incoming secondary distribution volumes, the Postal Service stated that these estimates “would be based on EOR counts generated at the upstream plant if available, otherwise manual workloads are approximated by quantifying the linear measurement of mail that is worked and converting the measurements to pieces using standard conversion factors.” Docket No. ACR2015, November 2016 Response at 57. However, the Postal Services now states that “eFlash receives manual workload counts input through user entries into the NP (Non Payroll) Data Entry application as well as through end of run volumes that are fed to eFlash through Variance Programs.” Please confirm that eFlash does not receive manual workloads that are approximated by quantifying the linear measurement of mail. Please reconcile the statements from the Docket No. ACR2015, November 2016 Response at 57 and Response to CIR No. 1, question PP3-2(a).

**RESPONSE:**

Not confirmed; eFlash does receive manual workloads that are approximated by quantifying the linear measurement of mail. The manual workloads eFlash receives are approximated by quantifying the linear measurement of mail that is worked, and is converted to pieces using standard conversion factors by the Variance Group (applicable to CAG A-G offices) prior to transmitting data to eFlash, and by the CAG H-L offices entering data into the NP Data Entry application using the standard conversion factor (1 inch of letters converts to 18.92 pieces, and 1 inch of flats converts to 9.58 pieces).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP4-1: Work in Process (WIP) Metrics Provided by the SPD Tool**

1. Please refer to Response to CIR No. 1, question PP4-1(g). Please provide WIP metrics that demonstrate information summarizing which “facilities take longer between primary operations than others.”

**RESPONSE:**

The following MP-WIP metrics are used to determine if facilities take longer between primary operations:

- Unload Scan to Bundle Sorter Scan
- Unload Scan to Tray Mechanization Scan
- Bundle Sorter Scan to Mail Processing Equipment Piece Scan
- Tray Mechanization Scan to Next Automation Scan
- Unload Scan to First Automation Scan

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP4-2: Bundle Visibility Program/Reports**

1. Please expand the data provided in Response to CIR No.1, question P4-2(d) from national level data to facility level data from FY 2017 Quarter 1 to present. Please provide all data in Excel format.

**RESPONSE:**

Facility level data from FY 2017 to present are provided under seal in USPS-RM2018-1/NP2.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP4-2: Bundle Visibility Program/Reports**

2. Please refer to Response to CIR No. 1, question PP4-2(d) regarding Plant Metrics.
- a. Please define "FS."
  - b. Please explain what "FS Bundles processed" measures.
  - c. Please explain what "FS Bundles nested" measures.
  - d. Please explain what "FS Bundles Nested on AFSM/FSS" measures.
  - e. Please explain how Postal Service management uses "% FS Bundles nested" and the purpose of calculating the figure.
  - f. Please explain what "Total Nested 99P Containers" measures. Please explain what a "99P Container" is.
  - g. Please explain what "99P Loaded" measures.
  - h. Please explain how Postal Service uses "% 99P Loaded" and the purpose of calculating the figure.

**RESPONSE:**

- a. FS is defined as Full Service.
- b. FS Bundles Processed measures the full service carrier route and firm bundles from bundle sorting machines that are processed on a given MODS date (MODS date starts at 07:00 AM and ends 06:59 AM the next day).
- c. FS Bundles Nested measures full service carrier route and firm bundles from bundle sorting machines that were nested on a given MODS Date. Nesting is made possible by leveraging the SV container assign and close scans, and logically bundles that are sorted to the container between SV container assign and close scan are nested.
- d. FS Bundles Nested on AFSM/FSS measures full service carrier route and firm bundles from bundle sorting machines that were nested on a given

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

MODS Date, with at least one piece receiving a downstream piece scan on FSS or AFSM.

- e. The Postal Service uses “% FS Bundles nested” as a process indicator to illustrate compliance with process and scanning procedures in plants that sort bundled mail on mail processing equipment (MPE). This indicator is used by Operations (Headquarters and Field) to readily identify top opportunities for scanning performance related to bundle visibility.
- f. Total Nested 99P Containers measures the count of 99P containers with full service carrier route and firm bundles assigned/nested to a container. A 99P Container is a container identified with a postal placard containing an Intelligent Mail container barcode (placard commonly referred to as 99P) and produced at a postal facility for distribution to a Delivery Unit.
- g. 99P Loaded measures the count of 99P containers with full service carrier route and firm bundles nested that received a Surface Visibility (SV) Load scan.
- h. The Postal Service uses “% 99P Loaded” as a process indicator to illustrate compliance to process and scanning procedures in plants that sort bundled mail on mail processing equipment (MPE). This indicator provides a virtual hand-off of bundled mail nested to / associated with container placards (99Ps) from plant operations to Delivery Unit operations. This indicator is used by operations (Headquarters and Field) to readily identify top opportunities for scanning performance related to bundle visibility.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP4-2: Bundle Visibility Program/Reports**

3. Please refer to Response to CIR No. 1, question PP4-2(d), regarding Plant Metrics.
- a. Please explain what “% Delivery Unit (DU) Bundles Visibility Scores” measures and how it is calculated.
  - b. Please explain what “% Distributed Scan Compliance” measures and how it is calculated.
  - c. Please explain what “Out For Delivery (OFD) Bundles” measures.
  - d. Please explain what “% Inventory Complete Scan Compliance” measures and how it is calculated.
  - e. Please explain what “Number of curtailed bundles” measures.

**RESPONSE:**

- a. The Postal Service uses "% Delivery Unit (DU) Bundles Visibility Scores" as a process indicator to illustrate compliance with process and scanning procedures in delivery units. This indicator is used by Operations (Headquarters and Field) to quickly identify top opportunities for scanning performance related to bundle visibility.  
  
The % Delivery Unit (DU) Bundle visibility score is calculated as Bundles Out for Delivery divided by Expected New Bundles. Bundles Out for Delivery is determined by counting bundles with a Distributed Scan and Inventory Complete Scan. Expected New Bundles is determined by adding the Count of Bundles nested to 99P containers that received a load scan OR unload or distributed scan at Delivery Unit on the current reporting day AND Bundles nested to 99H (In-House) containers that received a close scan on the current reporting day.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

- b. The Postal Service uses "% Distributed Scan Compliance" as a process indicator to illustrate compliance with process and scanning procedures in delivery units. This indicator is used by Operations (Headquarters and Field) to quickly identify top opportunities for scanning performance related to bundle visibility.

The % Distributed Scan Compliance is calculated as Bundles Distributed divided by Expected New Bundles.

- c. Out for Delivery (OFD) Bundles is a count of bundles with Distributed Scan and Inventory Complete Scan.
- d. The % Inventory Complete Scan Compliance measures the percentage of Delivery Units where the Inventory Complete scan was performed by cut off time. It is calculated by the number of delivery units that performed inventory complete scans by the cut off time divided by the total number of delivery units.
- e. The number of Curtailed Bundles is a count of bundles for a specified reporting date that received a Curtailed scan prior to the day's Inventory Complete Scan.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP4-2: Bundle Visibility Program/Reports**

4. Please refer to Response to CIR No. 1, question PP4-2(e). Please explain what metric the Postal Service uses to rank “highest opportunity entities available by area, by district, by MPOO, and by facility.” In addition please define “MPOO.”

**RESPONSE:**

The “highest opportunity” is ranked by bundles that do not achieve the metrics listed for Plant and Delivery Unit in question 2 and 3.

MPOO, or Manager Post Office Operations, is the manager that oversees a group of Post Office facilities.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP4-2: Bundle Visibility Program/Reports**

5. Please refer to Response to CIR No. 1, question PP4-2(e). Please provide examples of “root cause drill reports.”

### **RESPONSE:**

The following report can be generated down to the scan facility level that will indicate bundles that were nested to containers and were not distributed.

Reporting Date	Area	District	MPOO	Scan Facility	Nesting Plant	Barcode
4/14/2018	WESTERN	NEVADA SIERRA				99P891342E0001XYZ-14275021
4/15/2018	WESTERN	NEVADA SIERRA				99P891342E0001XYZ-25225305
4/17/2018	WESTERN	NEVADA SIERRA				99P891342E0001XYZ-26339535
4/18/2018	WESTERN	NEVADA SIERRA				99P891342E0001D6M-67460612
4/18/2018	WESTERN	NEVADA SIERRA				99P891342E0001D8K-37200676

The following report shows the National Air and Surface System (NASS) code where the information in the placard does not match the NASS code of the scan facility. The report is generated down to the scan facility level that will indicate when there is a non-matching NASS code.

Reporting Date	Area	District	MPOO	Scan Facility	Nesting Plant	Total	Non-Matching	Percentage
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				1	1	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				2	2	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				2	2	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				2	2	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				2	2	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				3	3	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				4	4	100
4/14/2018	CAPITAL METRO	GREATER S CAROLINA				3	3	100

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP5-2: SVWeb**

1. Please expand the data provided in Response to CIR No.1, question PP5-2(d) from national level data to facility level data. Please provide all data in an Excel file.

**RESPONSE:**

Facility level data are provided under seal in USPS-RM2018-1/NP2. With the exception of the “Misrouted” tab, the facilities listed represent Surface Visibility (SV) sites, meaning that both SVWeb and SV mobile scanners are utilized. However, for the “Misrouted” tab, both SV and non-SV sites that performed an unload scan for misrouted mail are included (unload using SVmobile at SV sites or PVSmobile at non-SV sites).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP5-2: SVWeb**

2. Please refer to Response to CIR No. 1, question PP5-2(d).
- a. Please provide the Postal Service's goal for "National On-time departure percentage."
  - b. Please provide the Postal Service's goal for "National On-time arrival percentage."
  - c. Please confirm that the Container Types listed are all of the Container Types that SVWeb that have available data. If not confirmed, please list the other Container Types and provide space utilization data.
  - d. Please provide Postal Service management's space utilization goal for each of the Container Types listed.
  - e. Please explain what the "National Space Utilization by Container Type" measures. Specifically, please explain if it measures the amount of space used or the amount of space unused.
  - f. Please confirm that there are no other types of containers used to transport mail other than those reported in Response to CIR No. 1, question PP5-2(d)(iii).
  - g. Please explain what the National Average Load Percentage measures.
  - h. Please provide the Postal Service's goal for the "National Average Load Percentage."
  - i. Please provide the Postal Service's goal for "National total number of Late Containers."
  - j. Please provide the Postal Service's goal for "National Misrouted Containers based on Unload Scans at Unexpected Site."

**RESPONSE:**

a., b., d., h., i., j. There are no goals for these specific measurements. SV has a NPA goal of 94 percent for FY 2018 (YTD percentage), which is the total score for six required scans (Container Assign, Container Close, Container Load, Container Unload, Trailer Depart, Trailer Arrive). There is also a NPA goal for Trips on Time for FY 2018 of 90 percent, which is a measurement of the rate of Actual Departures to Scheduled Departures that are outbound to all locations between the hours of 12am and 7am.

- c. Confirmed

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

- e. "National Space Utilization by Container Type" measures space used.
- f. Confirmed
- g. National Average Load Percentage shows outbound trailer utilization based on user Load scans of trailers assigned to transportation.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **PP5-2: SVWeb**

3. Please explain what the “Change Control Board (CCB)” does and provide the criteria for approval of improvements. See Response to CIR No. 1, question PP5-2(e).

### **RESPONSE:**

The SV program office receives a large number of requests for changes to the SV application, and the CCB evaluates and prioritizes those changes. CCB consists of subject matter experts from the SV program office, Processing Operations and Transportation, to ensure engagement from all stakeholder groups.

#### **Request Approval Requirements:**

- 1) Priority (Criteria below)
- 2) Stakeholder Votes
- 3) Product Owner
- 4) Needed by Date
- 5) Funding Considerations

#### **Request Priority Criteria:**

Priority	Definition
4	Provides improved NPA Compliance, Cost Savings, Visibility, User Experience
3	Provides improved Cost Savings, Visibility, User Experience
2	Provides improved Visibility and User Experience
1	Provides improved User Experience
Delete	Provides no value, not needed or already exists

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**PP5-2: SVWeb**

4. Please provide the “updated transportation metrics to display new forms for irregularities and delay reasons for trips.” See Response to CIR No. 1, question PP5-2(e)(i).

**RESPONSE:**

As part of the initiative to streamline and automate creation of postal forms, delay and irregularity reasons redesign was implemented as part of SV Release 3.6 (January 2018). The processing of delay and irregularity reasons was enhanced to simplify the collection of late trip data and contractor irregularities. The next piece will be deployed with Release 3.7 (May 2018) to further accurately reconcile payment and transportation delays. SV will integrate with TCSS to receive HCR supplier information. Forms, such as 5466 (Late Slip), 5500 (Contract Route Irregularity Report), and 5397 (Contract Route Extra Trip Authorization) will be automatically sent to ServiceNow.



## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **PP5-3: Bundle Visibility Reports**

**1. The Postal Service previously stated:**

Utilizing Bundle Visibility reports, the Postal Service has been able to identify and improve visibility of carrier route bundles by tracking where the bundles are actually located in the mail stream. This also helps the Postal Service identify Last Mile issues that originated during transportation operations. In the past, the Postal Service struggled to determine if Last Mile issues were due to plant processing and transportation issues or customer service issues. Because scan data reflect where the mail is located, with Bundle Visibility the Postal Service is now able to identify where the Last Mile issue occurred.

Docket No. ACR2015, 120-Day Response at 62.

In Response to CIR No. 1, the Postal Service states that “there is no current ad-hoc or static report available” for data regarding flows of carrier route bundles (see question PP5-3(d)(iii)), percent of Total Bundle Count (see question PP5-3(d)(iv)), and identified last mile issues due to transportation (see question PP5-3(d)(v)).

Please explain how the Postal Service has been able to use Bundle Visibility reports to identify these issues without ad-hoc or static reports. Please explain if there are other data sources used to provide this information. Please confirm that the Postal Service tracks last mile issues over time using Bundle Visibility reports.

### **RESPONSE:**

Bundle visibility scanning data are used in other diagnostic tools (such as last mile diagnostic and mail processing performance visualization) to review the scan history for pieces that failed service. For clarification, bundle visibility information is scanning data gathered through the bundle visibility scanning process. The Bundle Visibility reports show scanning compliance, but cannot track last mile issues. The last mile diagnostic tool is used to track last mile issues in Internal SPM. The core functionality of Bundle Visibility reports as designed is currently limited to monitoring scan compliance.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2

### **General Questions**

1. In FY 2014, the Commission issued its Advisory Opinion on the Postal Service's Standard Mail Load Leveling Plan.<sup>3</sup> Please explain how the Postal Service is using the flexibility gained from that plan to reduce USPS Marketing Mail Flats costs. Specifically, please provide and explain policies and/or procedures used by the Postal Service to delay mail USPS Marketing Mail in efforts to reduce costs. In addition, please provide any cost savings estimates associated with the Standard Mail Load Leveling Plan.

### **RESPONSE:**

The Postal Service does not have any policies, procedures, and/or processes that are designed to delay mail. The Postal Service is advancing USPS Marketing Mail Flats in order to not overburden processing capabilities and to load level volumes across the work week.

The Postal Service does not have any recent cost savings estimates associated with the Load Leveling Plan. The Plan was implemented part way into FY 2014, and the projected cost savings for that partial year were calculated at roughly \$88 million. At the end of FY 2014, it was estimated that approximately 77 percent of that cost savings projection had been captured (i.e. roughly \$68 million). Since that time, no further efforts have been made to track cost savings specifically associated with the Load Leveling Plan, and thus no further cost savings estimates are available.

---

<sup>3</sup> Docket No. N2014-1, Advisory Opinion on Service Changes Associated with Standard Mail Load Leveling, March 26, 2014.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **General Questions**

2. Please provide a narrative that explains the expectations of Postal Service management to balance service and cost when processing and delivering mail.

### **RESPONSE:**

The Postal Service strives to process, transport, and deliver mail using the most efficient and least costly methods, while still achieving the service expectations of its customers. By using data driven benchmarks, the Postal Service manages these processes and makes adjustments when necessary to maximize the ability of mail to meet its service standard. Whenever significant events or situations cause or potentially cause volumes to be at risk of failing service, Postal managers use alternative methods to recover the mail and move it back toward normalized processes. These alternative processes may result in increased costs, but the expectation is that the reason for the potential failures is determined and additional safeguards/metrics are added to the process to avoid future problems. When volumes exceed specific system capacities, managers may employ less cost effective means to handle them or, in limited cases, shift volumes to nearby facilities that have remaining capacity. In some situations, mail volumes may be advanced to earlier than expected delivery in order to take advantage of available capacity without adding significant cost to the system in order to avoid a future bottleneck. In each instance, Postal managers are expected to minimize the cost of processing, transporting, and delivering the mail while maximizing the ability to achieve the service expectations of our customers.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **General Questions**

3. Please refer to the Response to CIR No. 1, question OD-2. Please explain what actions the Postal Service has taken in response to the ideas generated by industry leaders. In addition, please provide any cost savings associated with these ideas.

### **RESPONSE:**

The ideas generated out of the initial Flats Ad-Hoc Steering Committee brainstorming session were not all pursued. A few appeared to have promise for both the Postal Service and mailing Industry, and these particular ideas have been discussed further, on a collaborative basis, via MTAC with the hope of potentially reshaping and refining them. However, none of the ideas have been fully implemented and, therefore, there are no cost savings associated with them.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
COMMISSION INFORMATION REQUEST NO. 2**

**General Questions**

4. Please provide a list of reports that are outputs from the Informed Visibility platform. For each report, please explain the data reported and identify the general users of the report. In addition, please identify which of those reports are used to track flat-shaped mail cost and service issues.

**RESPONSE:**

The requested data and explanations are provided in USPS-RM2018-1/2. General users of these reports are Headquarters, Area, District, and Field employees. Access level is general access, and all EAS employees are eligible to have access to these reports.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO COMMISSION INFORMATION REQUEST NO. 2**

### **General Questions**

5. In Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-14 of Chairman's Information Request No. 9, February 1, 2018, question 6, the Postal Service explained that "Informed Mobility" will provide real time information to front line managers regarding "safety, service, and cost efficiencies." Please provide a narrative that explains that data that will be available to managers when "Informed Mobility" is implemented.

### **RESPONSE:**

At this point, the data and information that will be available through Informed Mobility have not yet been fully defined. Notionally, it will include data such as safety or service & performance related to the manager's job function (e.g. plant or delivery supervisor). However, the design and definition of the future Informed Mobility user interface and output have not yet been determined.